

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7528

BILL NUMBER: HB 1916

DATE PREPARED: Feb 13, 2001

BILL AMENDED: Feb 12, 2001

SUBJECT: State Surplus Property.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that surplus state property must be made available to political subdivisions on the same basis that surplus federal property is made available to state and local governments. The bill requires surplus state property to be offered for acquisition equally by all political subdivisions and that notice of disposition be given simultaneously to all political subdivisions.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Department of Administration estimates that costs associated with this bill would be covered using its existing staff and resources.

Explanation of State Revenues: (Revised) This bill could impact the amount of revenue the state receives from the sale of surplus state property. Under current law, if a political subdivision or other entity purchases surplus property the proceeds of the sale are credited to the fund from which the property was purchased, less costs to the Department of Administration. This bill would allow political subdivisions to acquire state surplus property on the same basis as federal surplus property is made available to political subdivisions. Currently, when a political subdivision acquires surplus federal property, a handling fee is assessed (typically equivalent to 1% of the item's original purchase price) to cover the state's cost of transporting and processing the surplus property.

Explanation of Local Expenditures: (Revised) The bill would allow political subdivisions to acquire state surplus property on the same basis as federal property is acquired. The impact of the bill on subdivisions is dependent on the amount of purchased property that a subdivision would be able to replace with the state surplus property it is able to acquire at a reduced cost because of this bill.

Explanation of Local Revenues:

State Agencies Affected: Department of Administration.

Local Agencies Affected: Political Subdivisions.

Information Sources: Jay McQueen, Department of Administration, (317) 232-7636.